

STATE SCHOOL AID DATA UPDATED FOR MARCH

The March state school aid payment is the 6th regular payment of the year and reflects 54.54% of the year's allocation for Sections 22a, 51c, and 22b as well as for most categoricals. Prior year adjustments are made at 100% in a single payment. The payment will post at the districts' banks on Tuesday, March 20, 2007.

Taxable value figures used to calculate the March payment represent the tax year 2006 values provided by the county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to March 1, 2007 were incorporated into the payment calculation. These data can be viewed by school district personnel on the Department's website. The URL is <http://mdoe.state.mi.us/taxvalue>. To view your data click on "Public Access," and then choose your district code and the appropriate tax year from the drop down menus.

Now that the taxable valuation collection process is web-based, county treasurers can make revisions to the reported values at any time. At a minimum, we request that they revise the values on the same schedule that values were reported to the department under the paper collection process (DS-4410). That means that county treasurers should now report the taxable valuations as of the date that they settled with the local unit treasurers. Letters to the treasurers requesting that they report those values, if they haven't already reported, will be sent to the treasurers soon. The settlement numbers will have value changes from the July and December Boards of Review as well as any other changes since the fourth Monday in May 2006. Districts may want to contact their county treasurers as well to encourage them to report the revised values.

The **membership blend** used to calculate the March payment incorporated all Single Record Student Database (SRSD) pupil (FTE) counts released to the Department as of March 1, 2007, the date the department downloaded the pupil counts from the Center for Educational Performance and Information. The membership blend for most districts and public school academies (PSAs) for FY2007 is 25% of the February 8, 2006 supplemental count and 75% of the September 27, 2006 pupil count. All of the February 8, 2006 count data are audited. Most of the September 27, 2006 count data are audited as well as the due date for the September 27, 2006 count audits was March 14, 2007.

SECTION 104 ASSESSMENT TEST COST REIMBURSEMENT

Section 104 of the State School Aid Act appropriates \$19,500,000 in FY 2007 for student assessment contract costs paid on behalf of Michigan public schools. The March 2007 state aid payment to intermediate school districts shows offsetting transactions referencing Section 104.1 that reflect payments made by the Department to the test contractors on behalf of school districts. The Department used the ISD's constituent district membership plus the ISD blended membership in determining each ISD's share of the contract cost/revenue. Accounting for this will be done at the ISD level. Each ISD should record a debit to expenditure account 11(Fund)-227(Student Assessment Function)-3190(Purchased Service Object) and a credit to State Revenue 11(Fund)-312(State Restricted Major Class)-0000(Suffix) for the amount shown on the March State Aid Status Report. Questions may be directed to Glenda Rader, Office of State Aid and School Finance, (517) 335-0524 or RaderG@Michigan.gov.

ADULT EDUCATION ADJUSTMENTS FOR FY 2005-2006

Districts operating adult education programs may see two prior year adjustments for the fiscal year 2005-2006 Section 107 Adult Education payments. As is described in Section 107 of the State School Aid Act, 10% of a district's allocation is based upon program objectives and/or completion. Adjustments for meeting less than 100% of objectives have been made. Those recovered funds have been redistributed to districts that reported participant FTE counts in excess of their caps. FTEs above the cap are being paid out at \$230.80 per FTE based on information provided on the AE-4859 Section 107 Performance Report. Questions regarding the calculation of the adjustment may be directed to Joellen Wonsey, Office of State Aid and School Finance, (517) 373-3352, or WonseyJ@Michigan.gov. With questions regarding the AE-4859 Report, contact Sandy Thelen, Department of Labor and Economic Growth at (517) 373-3395 or ThelenSJ@Michigan.gov.

SECTION 25C ADJUSTMENTS

Section 25c allows a "district of the first class" under the *Revised School Code* to bill a local district or public school academy (PSA) for pupils that transfer to the district of the first class after the pupil membership count day. The pupils involved were counted on the pupil membership count day in the district from which they transferred and were residents of the district of the first class on that pupil membership count day. The Section 25c language requires the Department to deduct the amount of the bill from the remaining state school aid payments of the district or PSA from which the pupil transferred and pay the amount to the district of the first class. Several districts and PSAs will see Section 25c adjustments on their March 2007 State School Aid Financial Status Reports. The dollar amounts are negative and are labeled "2004 Pupil Transfer Adjustment." Questions concerning this item may be directed to Dan Hanrahan, Office of State Aid and School Finance, (517) 335-0521 or HanrahanD@Michigan.gov.

SPECIAL EDUCATION COSTS UPDATED

In the February State School Aid UPDATE we wrote that the February 2007 payment was calculated with updated special education and special education transportation cost figures for most districts. In actuality, only the special education transportation costs were updated for the February payment. The special education instructional costs have now been updated as well. The figures now being used are the costs reported for FY 2006. In addition to affecting the current year Section 51c - Special Education Headlee amount, this update may cause adjustments to the current year Section 22b - Discretionary Payment as well as causing prior year adjustments for FY 2006 Section 51c and possibly FY 2006 Section 22b. Questions concerning these changes may be directed to Dianne Easterling, EasterlingD@Michigan.gov.

GENERAL INFORMATION

- The 4th quarterly count date for **Adult Education** program participants is the 4th Wednesday in April, **April 25, 2007**.
- **Single Record Student Database files** for the Supplemental count are due to the **ISD by March 21** and to **CEPI by April 4, 2007**. Trina Anderson, CEPI, (517) 241-3432, AndersonT1@Michigan.gov.
- The **DS-4168B Planned Days and Clock Hours Report** is due April 16, 2007. The report is available on line at www.Michigan.gov/mde. Click on "keywords" then "State Aid Forms." Joellen Wonsey, (517) 373-3352 or WonseyJ@Michigan.gov.
- The per pupil proration factor for the Section 31a – At Risk funding is \$205.566379585.
- The proration factor for the Section 31a – At Risk funding is .9672910453.

Do you have questions about the information appearing in the UPDATE? Call the consultants identified above or **Dan Hanrahan, Director, State Aid & School Finance, MDE**, phone: **517-335-0521**, fax: **(517) 241-0196**, e-mail: HanrahanD@Michigan.gov.